

TOWNSHIP OF BURT, MICHIGAN
FINANCIAL STATEMENTS
For the Nine Months Ended March 31, 2005

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Township of Burt, Michigan		County Alger
Audit Date 3/31/05	Opinion Date 6/10/05	Date Accountant Report Submitted to State: 8/30/05		

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ yes ☐ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) Anderson, Tackman, Co & PLC			
Street Address 102 W. Washington St, Suite 109	City Marquette	State MI	ZIP 49855
Accountant Signature Michael A. [Signature] CPA			

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ANDERSON, TACKMAN & COMPANY, P.L.C.

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INDEPENDENT AUDITORS' REPORT

Honorable Supervisor and Members of
The Township Board of Trustees
Township of Burt, Michigan
P.O. Box 430
Grand Marais, MI 49839

We have audited the accompanying financial statements of the governmental activities, business-type activities, major funds, and remaining fund information of the Township of Burt, Michigan as of and for the Nine Months Ended March 31, 2005, which collectively comprise the Township of Burt, Michigan's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Burt, Michigan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Township of Burt, Michigan at March 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the nine months then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 10, 2005, on our consideration of the Township of Burt, Michigan's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 5 through 10 and 32 through 36, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Honorable Supervisor and Members of
The Township Board of Trustees
Township of Burt, Michigan

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Burt, Michigan's basic financial statements. The combining and individual non-major fund financial statements are presented for purpose of additional analysis and are not a required part of the basic financial statements. The combining and non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

June 10, 2005

Township of Burt, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the Township of Burt's financial performance provides an overview of the Township's financial activities for the Nine Months Ended March 31, 2005. Please read it in conjunction with the financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

- Net assets for the Township as a whole decreased by \$63,687 as a result of this period's operations. Net assets of our business-type activities decreased by \$7,185, or 1 percent, and net assets of our governmental activities decreased by \$56,502, or 6 percent.
- During the period, the Township had expenses for governmental activities that were \$542,799 which was \$56,502 more than the \$486,297 generated in program revenue sources.
- During the period, the Township had expenses for business-type activities that were \$314,197 which was \$7,185 more than the \$307,012 generated in program revenue sources.
- The General Fund reported a net fund balance of \$31,351. This is \$33,165 higher than the forecasted change of \$(33,382).

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 11 and 12) provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements start on page 13. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for the future spending. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's most significant funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside the government.

Reporting the Township as a Whole

Our analysis of the Township as a whole begins on page 6. One of the most important questions asked about the Township's finances is "Is the Township as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Township's *net assets* and changes in them. You can think of the Township's net assets - the difference between assets and liabilities - as one way to measure the Township's financial health, or *financial position*. Over time, *increases or decreases* in the Township's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Township's patron base and the condition of the Township's capital assets, to assess the *overall financial health* of the Township.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

In the Statement of Net Assets and the Statement of Activities, we divide the Township into two kinds of activities:

- **Governmental Activities** – Most of the Township's basic services are reported here, including the legislative, elections, public safety, public works, recreation and culture, community and economic development and general services and administration. Property taxes, charges for services and state sources fund most of these activities.
- **Business-Type Activities** – The Township charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Township's Water System, Marina, Fuel System and Campground activities are reported here.

Reporting the Township's Most Significant Funds

Our analysis of the Township's major funds begins on page 6. The fund financial statements begin on page 16 and provide detailed information on the most significant funds – not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township Board establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using taxes, grants, and other money. The Township's two kinds of funds - *governmental* and *proprietary* - use different accounting approaches.

- **Governmental funds** – Most of the Township's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed *short-term view* of the Township's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and Statement of Activities) and governmental *funds* in a reconciliation which follows the fund financial statements.
- **Proprietary funds** – When the Township charges customers for the services it provides – whether to outside customers or to other units of the Township – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Township's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the Township's other programs and activities.

The Township as a Whole

Table I provides a summary of the Township's net assets as of March 31, 2005 and June 30, 2004.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	3/31/05	6/30/04	3/31/05	6/30/04	3/31/05	6/30/04
Current & Other Assets	\$ 513,686	\$ 504,852	\$214,095	\$243,704	\$ 727,781	\$ 748,556
Capital Assets, net	<u>549,406</u>	<u>664,592</u>	<u>647,534</u>	<u>685,955</u>	<u>1,196,940</u>	<u>1,350,547</u>
Total Assets	<u>1,063,092</u>	<u>1,169,444</u>	<u>861,629</u>	<u>929,659</u>	<u>1,924,721</u>	<u>2,099,103</u>
Current Liabilities	146,110	179,042	17,413	64,006	163,523	243,048
Non-current Liabilities	<u>20,600</u>	<u>37,518</u>	<u>135,188</u>	<u>149,440</u>	<u>155,788</u>	<u>186,958</u>
Total Liabilities	<u>166,710</u>	<u>216,560</u>	<u>152,601</u>	<u>213,446</u>	<u>319,311</u>	<u>430,006</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	3/31/05	6/30/04	3/31/05	6/30/04	3/31/05	6/30/04
Net Assets:						
Invested in capital assets, net of related						
Debt	\$509,846	\$599,974	\$495,594	\$493,367	\$1,005,440	\$1,093,341
Restricted	-	-	29,800	31,426	29,800	31,426
Unrestricted (deficit)	<u>386,536</u>	<u>352,910</u>	<u>183,634</u>	<u>191,420</u>	<u>570,170</u>	<u>544,330</u>
Total Net Assets	<u>\$896,382</u>	<u>\$952,884</u>	<u>\$709,028</u>	<u>\$716,213</u>	<u>\$1,605,410</u>	<u>\$1,669,097</u>

Net assets of the Township's governmental activities stood at \$896,382. *Unrestricted* net assets—the part of net assets that could be used to finance day-to-day activities without constraints established by debt covenants, enabling legislation, or other legal requirements stood at \$386,536.

The \$386,536 in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

The net assets of our business-type activities stood at \$709,028. The Township can generally only use these net assets to finance continuing operations of the Water System, Fuel System, Woodland Park and Marina operations.

The results of this period's operations for the Township as a whole are reported in the Statement of Activities (see Table 2), which shows the changes in net assets for the nine months ended March 31, 2005 and the year ended June 30, 2004.

Table 2
Change in Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	Nine Months		Nine Months		Nine Months	
	Ended 3/31/05	Year Ended 6/30/04	Ended 3/31/05	Year Ended 6/30/04	Ended 3/31/05	Year Ended 6/30/04
Revenues:						
Program Revenues:						
Charges for services	\$80,743	\$153,773	\$289,702	\$356,710	\$370,445	\$510,483
Operating grants and contributions	51,914	72,208	-	-	51,914	72,208
Capital grants and contributions	-	-	14,050	12,500	14,050	12,500
General Revenues:						
Property taxes	230,162	207,674	-	-	230,162	207,674
State sources	25,745	48,899	-	-	25,745	48,899
Interest and miscellaneous	<u>97,733</u>	<u>92,892</u>	<u>3,260</u>	<u>2,811</u>	<u>100,993</u>	<u>95,703</u>
Total Revenues	<u>486,297</u>	<u>575,446</u>	<u>307,012</u>	<u>372,021</u>	<u>793,309</u>	<u>947,467</u>
Program Expenses:						
Legislative	3,198	4,223	-	-	3,198	4,223
Elections	4,080	440	-	-	4,080	440
General services	182,834	260,549	-	-	182,834	260,549
Public safety	44,068	82,326	-	-	44,068	82,326
Public Works	67,403	45,211	-	-	67,403	45,211
Health & welfare	51,631	57,496	-	-	51,631	57,496
Community and Economic Development	14,770	21,218	-	-	14,770	21,218
Recreation and Culture	30,053	39,560	-	-	30,053	39,560
Other	26,804	15,265	-	-	26,804	15,265
Capital outlay	-	-	-	-	-	-
Unallocated depreciation	115,186	116,316	-	-	115,186	116,316

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

Table 2
Change in Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	Nine Months		Nine Months		Nine Months	
	Ended 3/31/05	Year Ended 6/30/04	Ended 3/31/05	Year Ended 6/30/04	Ended 3/31/05	Year Ended 6/30/04
Water system	\$ -	\$ -	\$ 88,604	\$ 107,687	\$ 88,604	\$ 107,687
Fuel system	-	-	52,180	51,011	52,180	51,011
Debt service	2,772	29,886	-	-	2,772	29,886
Woodland Park	-	-	126,562	177,546	126,562	177,546
Marina	-	-	46,851	66,432	46,851	66,432
Total Expenses	542,799	672,490	314,197	402,676	856,996	1,075,166
Transfers	-	(27,500)	-	27,500	-	-
Increase (decrease) in net assets	(56,502)	(124,544)	(7,185)	(3,155)	(63,687)	(127,699)
Net assets, beginning, as restated	952,884	1,077,428	716,213	719,368	1,669,097	1,796,796
Net Assets, Ending	\$ 896,382	\$ 952,884	\$ 709,028	\$ 716,213	\$ 1,605,410	\$ 1,669,097

The Township's total revenues were \$793,309. The total cost of all programs and services was \$856,996 leaving a decrease in net assets of \$63,687. Our analysis below separately considers the operations of governmental and business-type activities:

Governmental Activities

General Fund

The General Fund had a decrease in fund balance of \$217.

The decrease in fund balance was caused by inflation.

Fire Department

The Fire Department had a decrease in fund balance of \$13,747.

The decrease in fund balance was caused by the purchase of breathing equipment.

Township Improvement

The Township Improvement fund had an increase in fund balance of \$24,624.

The increase in fund balance was caused by the change of fiscal year.

Ambulance

The Ambulance Fund had an increase in fund balance of \$6,081.

The increase in fund balance was caused by an increase of ambulance bill collection activity.

Revolving Loan Fund

The Revolving Loan fund had an increase in fund balance of \$14,832.

The increase in fund balance was due to prompt payment by borrowers and accumulation of interest.

Non-Major Governmental Activity Funds

The Non-Major Governmental Activity Funds had an increase in fund balance of \$2,052.

The increase in fund balance was caused by the increase of the water user fee paid by Woodland Park.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

Business-Type Activities

Water System Fund

The Water System Fund had a decrease in net assets of \$4,842.

Major emergency repair expenses were responsible for this decrease.

Fuel System Fund

The fuel system fund had an increase in net assets of \$7,028.

Higher revenue is due to generation from an increase in ancillary uses.

Woodland Park Fund

The Woodland Park Fund had an increase of \$7,084.

Park Manager used strict management controls.

Marina Fund

The Marina Fund had a decrease in net assets of \$16,455.

Emergency upgrades were responsible for a decrease in funds which are expected to be reimbursed through state grants.

THE TOWNSHIP'S FUNDS

As the Township completed the year, its governmental funds (as presented in the balance sheet on page 13 reported a *combined* fund balance of \$386,536 an increase of \$33,626 from the beginning of the year.

General Fund Budgetary Highlights

Over the course of the year, the Township Board revised the budget a few times.

We amended the budget several times, due to revenue shortfalls.

With these adjustments, actual charges to expenditures were \$47,819 less than the final amended budget. Conversely, revenues were \$13,395 more than the final budget projection.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of March 31, 2005, the Township had \$1,196,940 invested in a variety of capital assets including land and improvements, buildings and improvements, and other equipment. (See table 3 below)

Table 3
Capital Assets at Year End (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	Nine Months		Nine Months		Nine Months	
	Ended 3/31/05	Year Ended 6/30/04	Ended 3/31/05	Year Ended 6/30/04	Ended 3/31/05	Year Ended 6/30/04
Land	\$ 54,200	\$ 54,200	\$ 22,000	\$ 22,000	\$ 76,200	\$ 76,200
Buildings & Improvements	426,988	453,650	625,534	663,955	1,052,522	1,117,605
Equipment & Furnishings	68,218	156,742	-	-	68,218	156,742
Total	<u>\$549,406</u>	<u>\$664,592</u>	<u>\$647,534</u>	<u>\$685,955</u>	<u>\$1,196,940</u>	<u>\$1,350,547</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

Debt

At March 31, 2005, the Township had \$191,500 in bonds and notes outstanding as depicted in Table 4 below.

Table 4
Debt

	Governmental Activities		Business-Type Activities		Total Primary Government	
	Nine Months		Nine Months		Nine Months	
	Ended 3/31/05	Year Ended 6/30/04	Ended 3/31/05	Year Ended 6/30/04	Ended 3/31/05	Year Ended 6/30/04
Revenue Bond	\$ -	\$ -	\$125,000	\$134,000	\$125,000	\$134,000
Note Payable	<u>39,560</u>	<u>64,618</u>	<u>26,940</u>	<u>58,588</u>	<u>66,500</u>	<u>123,206</u>
Total	<u>\$39,560</u>	<u>\$64,618</u>	<u>\$151,940</u>	<u>\$192,588</u>	<u>\$191,500</u>	<u>\$257,206</u>

There were no new additions to debt for this year and further details on long-term debt can be found in the Footnotes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

In preparing the Township's budget for the year ending March 31, 2006, the Township considered the following issues:

We had a nine month fiscal year last year. We are now budgeting for a 12 month fiscal year.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Township of Burt, P.O. Box 430, Grand Marais, MI 49859.

TOWNSHIP OF BURT, MICHIGAN

STATEMENT OF NET ASSETS

March 31, 2005

	Primary Government		
	Governmental Activities	Business Type Activities	Total
ASSETS			
Current Assets:			
Cash and investments	\$ 359,586	\$ 207,376	\$ 566,962
Receivables (net)	149,100	6,719	155,819
Prepaid Expense	5,000	-	5,000
TOTAL CURRENT ASSETS	513,686	214,095	727,781
Non-current assets:			
Capital assets	1,699,761	1,395,829	3,095,590
Accumulated depreciation	(1,150,355)	(748,295)	(1,898,650)
Total Capital Assets	549,406	647,534	1,196,940
TOTAL NON-CURRENT ASSETS	549,406	647,534	1,196,940
TOTAL ASSETS	1,063,092	861,629	1,924,721
LIABILITIES:			
Current Liabilities:			
Accounts payable	4,021	130	4,151
Accrued liabilities	6,020	-	6,020
Deferred revenue	117,109	-	117,109
Accrued interest	-	531	531
Current portion of notes payable	18,960	16,752	35,712
Other current liabilities	-	-	-
TOTAL CURRENT LIABILITIES	146,110	17,413	163,523
Non-current Liabilities:			
Compensated absences	-	-	-
Notes payable	20,600	135,188	155,788
TOTAL NON-CURRENT LIABILITIES	20,600	135,188	155,788
TOTAL LIABILITIES	166,710	152,601	319,311
NET ASSETS			
Invested in capital assets net of related debt	509,846	495,594	1,005,440
Restricted for:			
Debt Service	-	29,800	29,800
Unrestricted	386,536	183,634	570,170
TOTAL NET ASSETS	\$ 896,382	\$ 709,028	\$ 1,605,410

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BURT, MICHIGAN

STATEMENT OF ACTIVITIES

For the Nine-Months Ended March 31, 2005

Function / Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business Type Activities	Total
Primary Government:							
Governmental Activities:							
Legislative	\$ 3,198	\$ -	\$ -	\$ -	\$ (3,198)	\$ -	\$ (3,198)
Elections	4,080	-	-	-	(4,080)	-	(4,080)
General services and administration	182,834	48,111	-	-	(134,723)	-	(134,723)
Public safety	44,068	-	1,396	-	(42,672)	-	(42,672)
Public works	67,403	-	-	-	(67,403)	-	(67,403)
Health and Welfare	51,631	26,855	27,267	-	2,491	-	2,491
Community and economic development	14,770	2,230	-	-	(12,540)	-	(12,540)
Recreation and culture	30,053	3,547	-	-	(26,506)	-	(26,506)
Other	26,804	-	23,251	-	(3,553)	-	(3,553)
Capital outlay	-	-	-	-	-	-	-
Debt service	2,772	-	-	-	(2,772)	-	(2,772)
Unallocated depreciation	115,186	-	-	-	(115,186)	-	(115,186)
Total Governmental Activities	542,799	80,743	51,914	-	(410,142)	-	(410,142)
Business Type Activities:							
Water System	88,604	81,113	-	-	-	(7,491)	(7,491)
Fuel System	52,180	59,208	-	-	-	7,028	7,028
Woodland Park	126,562	128,102	-	5,000	-	6,540	6,540
Marina	46,851	21,279	-	9,050	-	(16,522)	(16,522)
Total Business Type Activities	314,197	289,702	-	14,050	-	(10,445)	(10,445)
TOTAL PRIMARY GOVERNMENT	\$ 856,996	\$ 370,445	\$ 51,914	\$ 14,050	(410,142)	(10,445)	(420,587)
General Revenues:							
					230,162	-	230,162
					25,745	-	25,745
					10,683	3,260	13,943
					87,050	-	87,050
					-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					353,640	3,260	356,900
CHANGE IN NET ASSETS							
Net assets, beginning of year					(56,502)	(7,185)	(63,687)
					952,884	716,213	1,669,097
NET ASSETS, END OF YEAR	\$	896,382	\$	709,028	\$		1,605,410

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BURT, MICHIGAN

GOVERNMENTAL FUNDS

BALANCE SHEET

March 31, 2005

ASSETS	General Fund	Fire Department Fund	Township Improvement Fund	Ambulance Fund	Revolving Loan Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash and investments	\$ 44,773	\$ 34,991	\$ 70,388	\$ 22,429	\$ 87,972	\$ 99,033	\$ 359,586
Receivables	10,945	4,601	9,878	4,766	117,109	1,392	148,691
Due from other funds	7,991	7,134	-	2,100	-	15,783	33,008
Prepaid expense	-	-	-	-	-	5,000	5,000
TOTAL ASSETS	\$ 63,709	\$ 46,726	\$ 80,266	\$ 29,295	\$ 205,081	\$ 121,208	\$ 546,285

LIABILITIES AND FUND BALANCE

LIABILITIES:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,021	\$ 4,021
Accrued payroll and related	6,020	-	-	-	-	-	6,020
Due to other funds	26,338	-	6,261	-	-	-	32,599
Deferred revenue	-	-	-	-	117,109	-	117,109
TOTAL LIABILITIES	32,358	-	6,261	-	117,109	4,021	159,749
FUND BALANCE:							
Unreserved:							
	31,351	46,726	74,005	29,295	87,972	117,187	386,536
TOTAL FUND BALANCE	31,351	46,726	74,005	29,295	87,972	117,187	386,536
TOTAL LIABILITIES AND FUND BALANCE	\$ 63,709	\$ 46,726	\$ 80,266	\$ 29,295	\$ 205,081	\$ 121,208	\$ 546,285

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BURT, MICHIGAN

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS**

March 31, 2005

Total Fund Balances for Governmental Funds \$ 386,536

*Amounts reported for governmental activities in the statement
of net assets are different because:*

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds

Cost of Capital Assets	1,699,761	
Accumulated Depreciation of Assets	<u>(1,150,355)</u>	549,406

Long-term liabilities, including bonds payable, are not due and payable
in the current period and therefore are not reported in the funds.

Current portion of notes payable	\$ 18,960	
Compensated absences	-	
Notes payable	<u>20,600</u>	

NET ASSETS OF GOVERNMENTAL ACTIVITIES

(39,560)
<u>\$ 896,382</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BURT, MICHIGAN
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Nine-Months Ended March 31, 2005

	General Fund	Fire Department Fund	Township Improvement Fund	Ambulance Fund	Revolving Loan Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:							
Taxes	\$ 78,102	\$ 45,727	\$ 98,161	\$ -	\$ -	\$ 8,172	\$ 230,162
Licenses and Permits	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-
State Sources	25,745	-	23,251	-	-	1,396	50,392
Local Sources	-	-	-	21,256	-	6,011	27,267
Charges for Services	51,571	-	2,317	26,835	-	20	80,743
Fines and Forfeits	-	-	-	-	-	-	-
Interest and Rents	431	608	844	223	8,120	457	10,683
Other Revenue	54,087	1,167	5,828	4,323	14,958	6,687	87,050
TOTAL REVENUES	209,936	47,502	130,401	52,637	23,078	22,743	486,297
EXPENDITURES:							
Legislative	3,198	-	-	-	-	-	3,198
Judicial	-	-	-	-	-	-	-
Elections	4,080	-	-	-	-	-	4,080
General Government	181,292	-	1,542	-	-	-	182,834
Public Safety	-	42,672	-	-	-	1,396	44,068
Public Works	-	-	67,403	-	-	-	67,403
Health and Welfare	-	-	-	46,556	-	5,075	51,631
Community and Economic Development	6,524	-	-	-	8,246	-	14,770
Recreation and Culture	14,510	-	775	-	-	14,768	30,053
Other Functions	-	-	26,804	-	-	-	26,804
Capital Outlay	-	-	-	-	-	-	-
Debt Service	-	18,577	9,253	-	-	-	27,830
TOTAL EXPENDITURES	209,604	61,249	105,777	46,556	8,246	21,239	452,671
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	332	(13,747)	24,624	6,081	14,832	1,504	33,626
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	-	-	549	549
Transfers (out)	(549)	-	-	-	-	-	(549)
TOTAL OTHER FINANCING SOURCES (USES)	(549)	-	-	-	-	549	-
CHANGE IN FUND BALANCE	(217)	(13,747)	24,624	6,081	14,832	2,053	33,626
Fund balance, beginning of year	31,568	60,473	49,381	23,214	73,140	115,134	352,910
FUND BALANCE, END OF YEAR	\$ 31,351	\$ 46,726	\$ 74,005	\$ 29,295	\$ 87,972	\$ 117,187	\$ 386,536

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BURT, MICHIGAN

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Nine-Months Ended March 31, 2005

Net Change in Fund Balances - Total Governmental Funds

\$ 33,626

*Amounts reported for governmental activities in the statement
of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays
Depreciation expense

\$ -
(115,186)

(115,186)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Repayment of loan principal is an expenditure in the governmental funds but repayment reduces long-term liabilities in the statement of net assets.

25,058

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ (56,502)

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BURT, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS

March 31, 2005

	Business - Type Activities Enterprise Funds					Total
	Water System Fund	Fuel System Fund	Woodland Park Fund	Marina Fund		
ASSETS:						
Current Assets:						
Cash and investments	\$ 190,477	\$ 3,406	\$ 7,007	\$ 6,486	\$	207,376
Accounts receivable, net	204	6,515	-	-	-	6,719
Due from other funds	9,388	-	6,933	-	-	16,321
Prepaid expense	-	-	-	-	-	-
TOTAL CURRENT ASSETS	200,069	9,921	13,940	6,486		230,416
Non-current Assets:						
Capital assets	864,944	100,000	383,885	47,000		1,395,829
Accumulated depreciation	(593,981)	(25,000)	(124,814)	(4,500)		(748,295)
TOTAL NON-CURRENT ASSETS	270,963	75,000	259,071	42,500		647,534
TOTAL ASSETS	471,032	84,921	273,011	48,986		877,950
LIABILITIES:						
Current Liabilities:						
Accounts payable	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	783	-	15,668	-	16,451
Accrued interest payable	531	-	-	-	-	531
Current portion of long-term debt	9,000	5,252	2,500	-	-	16,752
TOTAL CURRENT LIABILITIES	9,531	6,035	2,500	15,668		33,734
Non-current Liabilities:						
Bond payable	116,000	19,188	-	-	-	135,188
TOTAL NON-CURRENT LIABILITIES	116,000	19,188	-	-		135,188
TOTAL LIABILITIES	125,531	25,223	2,500	15,668		168,922
NET ASSETS:						
Invested in capital assets net of related debt	145,963	50,560	256,571	42,500		495,594
Restricted - debt service	29,800	-	-	-		29,800
Unrestricted	169,738	9,138	13,940	(9,182)		183,634
TOTAL NET ASSETS	345,501	59,698	270,511	33,318	\$	709,028

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BURT, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Nine-Months Ended March 31, 2005

	Business - Type Activities Enterprise Funds				
	Water System Fund	Fuel System Fund	Woodland Park Fund	Marina Fund	Total
OPERATING REVENUES:					
Charges for services (net)	\$ 81,113	\$ 59,208	\$ 128,102	\$ 21,279	\$ 289,702
Other operating revenue	-	-	-	-	-
TOTAL OPERATING REVENUES	81,113	59,208	128,102	21,279	289,702
OPERATING EXPENSES:					
Operating expenses	61,224	45,059	115,943	44,601	266,827
Depreciation	21,824	5,000	9,347	2,250	38,421
TOTAL OPERATING EXPENSES	83,048	50,059	125,290	46,851	305,248
OPERATING INCOME (LOSS)	(1,935)	9,149	2,812	(25,572)	(15,546)
NON-OPERATING REVENUES (EXPENSES):					
Grants and donations	-	-	5,000	9,050	14,050
Investment income	2,649	-	544	67	3,260
Interest expense	(5,556)	(2,121)	(1,272)	-	(8,949)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(2,907)	(2,121)	4,272	9,117	8,361
INCOME (LOSS) BEFORE TRANSFERS	(4,842)	7,028	7,084	(16,455)	(7,185)
Transfer in	-	-	-	-	-
Transfer (out)	-	-	-	-	-
CHANGE IN NET ASSETS	(4,842)	7,028	7,084	(16,455)	(7,185)
Net assets, beginning of year	350,343	52,670	263,427	49,773	716,213
NET ASSETS, END OF YEAR	\$ 345,501	\$ 59,698	\$ 270,511	\$ 33,318	\$ 709,028

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BURT, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Nine-Months Ended March 31, 2005

	Business -Type Activities Enterprise Funds				
	Water System Fund	Fuel System Fund	Woodland Park Fund	Marina Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from fees and charges for services	\$ 81,556	\$ 53,805	\$ 134,053	\$ 28,088	\$ 297,502
Cash payments to employees for services	(13,069)	-	(21,297)	(4,311)	(38,677)
Cash payments to suppliers for goods and services	(48,155)	(45,059)	(101,619)	(49,181)	(244,014)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>20,332</u>	<u>8,746</u>	<u>11,137</u>	<u>(25,404)</u>	<u>14,811</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Increase (decrease) interfund activity	(1,504)	783	(15,677)	13,209	(3,189)
Grants and donations	-	-	5,000	9,050	14,050
Cash payments for capital assets	-	-	-	-	-
Proceeds on debt	-	-	5,000	-	5,000
Interest payments on bonds	(6,700)	(2,121)	(1,272)	-	(10,093)
Principal payments on bonds	(9,000)	(4,898)	(31,750)	-	(45,648)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(17,204)</u>	<u>(6,236)</u>	<u>(38,699)</u>	<u>22,259</u>	<u>(39,880)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income	2,649	-	544	67	3,260
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>2,649</u>	<u>-</u>	<u>544</u>	<u>67</u>	<u>3,260</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>5,777</u>	<u>2,510</u>	<u>(27,018)</u>	<u>(3,078)</u>	<u>(21,809)</u>
Cash and cash equivalents, beginning of year	184,700	896	34,025	9,564	229,185
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 190,477</u>	<u>\$ 3,406</u>	<u>\$ 7,007</u>	<u>\$ 6,486</u>	<u>\$ 207,376</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ (1,935)	\$ 9,149	\$ 2,812	\$ (25,572)	\$ (15,546)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	21,824	5,000	9,347	2,250	38,421
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	443	(5,403)	5,951	6,809	7,800
(Increase) decrease in prepaid expense	-	-	-	-	-
Increase (decrease) in accounts payable	-	-	(6,973)	(8,891)	(15,864)
Increase (decrease) in accrued liabilities	-	-	-	-	-
NET ADJUSTMENTS	<u>22,267</u>	<u>(403)</u>	<u>8,325</u>	<u>168</u>	<u>30,357</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 20,332</u>	<u>\$ 8,746</u>	<u>\$ 11,137</u>	<u>\$ (25,404)</u>	<u>\$ 14,811</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BURT, MICHIGAN

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

March 31, 2005

	<u>Agency Funds</u>
ASSETS:	
Cash and cash equivalents	\$ 279
Taxes receivable - net	<u>-</u>
TOTAL ASSETS	<u><u>\$ 279</u></u>
LIABILITIES:	
Due to other funds	\$ 279
Due to others	<u>-</u>
TOTAL LIABILITIES	<u><u>\$ 279</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BURT, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Township have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant of these accounting policies established in GAAP and used by the Township are described below.

(1) REPORTING ENTITY

The Township's financial statements present the Township (the primary government). In evaluating the Township as a reporting entity, management has addressed all potential component units (traditionally separate reporting units) for which the Township may or may not be financially accountable and, as such, be includable within the Township's financial statements.

(2) BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The Township's basic financial statements include both government-wide (reporting the Township as a whole) and fund financial statements (reporting the Township's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Township's legislative, public works, public safety, community and economic development, recreation and culture and general services and administration are classified as governmental activities. The Township's Water System, Fuel System, Woodland Park and Marina are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Township's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Township first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Township's functions and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue.

The government-wide focus is more on the sustainability of the Township as an entity and the change in the Township's net assets resulting from the current year's activities. For the most part, the effect of Interfund activities has been removed from these statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

(3) BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS:

The financial transactions of the Township are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Township:

Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Township:

General Fund – General Fund is the general operating fund and, accordingly, it is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue– Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Township:

- **Enterprise Funds** – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The Township reports the following major governmental funds:

- The **General Fund** is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Fire Department Fund** is used to account for revenue and expenses of the Fire Department.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

- The **Township Improvement Fund** is used to account for the revenues and expenses of the Department of Public Works.
- The **Ambulance Fund** is used to account for the revenues and expenses of the Ambulance Department.
- The **Revolving Loan Fund** is used to account for the activity of the economic development loans.

The Township reports the following major proprietary funds:

- The **Sewer Fund** is used to account for the revenues and expenses for the operation of a sewer system.
- The **Fuel Fund** is used to account for the revenues and expenses for the operation of a water system.
- The **Woodland Park Fund** is used to account for revenues and expenses for the operation of the Township Campground.
- The **Marina Fund** is used to account for revenues and expenses for the operation of the Township Marina.

(4) BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

All enterprise funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified basis of accounting, revenues are recorded when they are both measurable and available. "Available" means collectible within the current period or within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. However, debt service expenditures, compensated absences, and claims and judgments are recorded only when payment is due.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

(5) FINANCIAL STATEMENT AMOUNTS

Budgets and Budgetary Accounting – The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Township Supervisor submits to the Township Board of Trustees a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Numerous opportunities exist for public comment during the budget process including at least two formal public hearings conducted at the Township Hall to obtain taxpayer comment.
- c. Pursuant to statute, prior to March 31 of each year the budget for the ensuing year is legally enacted through adoption of an Annual General Appropriations Act.
- d. The general statute governing Township budgetary activity is the State of Michigan Uniform Budgeting and Accounting Act. In addition to the provisions of the said Act and Board policy, general statements concerning the Board's intent regarding the administration of each year's budget are set out in the Annual General Appropriations Act. The Township Board of Trustees, through policy action, specifically directs the Supervisor not to authorize or participate in any expenditure of funds except as authorized by the Annual General Appropriations Act. The Board recognized that, in addition to possible Board sanctions for willful disregard of this policy, State statutes provide for civil liability for violations of the Annual General Appropriations Act.
- e. The Supervisor is authorized by means of Township policy to make certain transfers:
 1. The Supervisor receives a request for a budget transfer from the head of the department whose budget is to be affected. Such request must specify the necessity for the transfer, the account name and/or groups(s) and amount to be affected within prescribed limitations. Transfers in excess of those limitations must be approved by the Board of Trustees.
 2. The following considerations must be reviewed in determination of transfer approvals.
 - a. Are the transfers consistent with the intent of the Board of Trustees in adopting the annual budget?
 - b. Will the transfer maintain the financial integrity of the Township?
Will the transfer provide a reasonable solution to the Departmental operating problem?

Considering the above, the Supervisor will then decide whether or not the transfer should be made.

Supplemental appropriations are submitted to and reviewed by the Supervisor and submitted to the Township Board of Trustees for their review and approval. If approved, they are implemented by the Supervisor through a budget revision.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

- f. The Township adopts its Annual Budget on a departmental basis. At each level of detail, governmental operations are summarized into expenditure account groups. Funding sources are also identified and adopted at each level of detail. Budgetary controls exist at the most detailed level adopted by the Board of Trustees, i.e., department for analytical purposes. A detailed line item breakdown is prepared for each program. Accounting, i.e., classification control, resides at the line item detail level.
- g. Budgets for the General Funds were adopted in substance on an accrual basis which is consistent with generally accepted accounting principles. Budgeted amounts as reported in the Financial Report are as originally adopted and/or amended by the Township Board of Trustees.

Cash Equivalents and Investments - For the purposes of balance sheet classification and the statement of cash flows, cash and equivalents consist of demand deposits, cash in savings, money market accounts and short-term certificates of deposit with original maturity of three months or less. Investments are carried at fair value.

Capital Assets – Capital assets, which include property, plant, equipment and infrastructure assets (e.g. streets, bridges, and sidewalks), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their fair value on the date donated. Depreciation on all exhaustible capital assets is charged as an expense against their operations in government-wide statements and proprietary financial statements. Accumulated depreciation is reported on government-wide and proprietary statement of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Land improvements	15 years
Building, structures and improvements	10-40 years
Equipment	5 years
Water and Sewage System	20-50 years
Vehicles	5 years
Infrastructure	20-50 years

Long-Term Liabilities: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities or proprietary fund type statement of net assets. In the fund financial statements, the face amount of debt issued is reported as other financing sources.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reporting of certain assets, liabilities, revenues, and expenditures. Actual results may differ from estimated amounts.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Property Taxes – Property taxes are levied as of December 1 of each year and are due by the last day of the following March. The taxes are collected by the local unit and periodically remitted to the third parties during the collection period.

Interfund Activity – Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a result of the reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

NOTE B – DEPOSITS AND INVESTMENTS:

The composition of cash and investments as reported in the statement of net assets is presented below:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Totals</u>
Cash and Investments:			
Unrestricted	<u>\$566,962</u>	<u>\$279</u>	<u>\$567,241</u>
Composition of Balances:			
Cash in banks	\$451,890	\$279	\$452,169
Certificates of Deposit	<u>115,072</u>	-	<u>115,072</u>
TOTAL	<u>\$566,962</u>	<u>\$279</u>	<u>\$567,241</u>

Act 196, PA 1997, authorized the Township to deposit and invest in:

- Bonds, securities, and other direct obligations of the United States or its agencies.
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of federally insured banks, insured savings and loan associations or credit unions insured by the National credit union administration that are eligible to be depository of surplus money belonging to the State under Section 5 or 6 of Act 105, PA 1855, as amended (MCL 21.145 and 21.146).
- Commercial paper rated at time of purchase within the two highest classifications established by not less than two standard rating services. Maturity cannot be more than 270 days after purchase.
- United States government or Federal agency obligation repurchase agreements.
- Banker's acceptance of United States banks.
- Mutual funds composed of investments which are legal for direct investments by local units of government in Michigan.
- Obligation of the State of Michigan or its political subdivisions which are rated investment grade.
- Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

Deposits

At year-end, the carrying amount of the Township's deposits were \$567,241 and the bank balance was \$581,684. Of the bank balance, \$100,000 was covered by federal depository insurance according to FDIC regulations.

These deposits are in various financial institutions in varying amounts. All accounts are in the name of the Township and specific funds. They are recorded in Township records at cost. Interest is recorded when the deposits mature or is credited to the applicable account.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Michigan law prohibits security in the form of collateral, surety bond, or another form for the deposit of public money.

NOTE C – INTERFUND RECEIVABLES AND PAYABLES:

Fund	Receivable	Fund	Payable
General	\$ 7,991	Fiduciary Funds	\$ 279
		Township Improvement	6,261
		Fuel System	783
		Marina	668
Subtotal	<u>7,991</u>	Subtotal	<u>7,991</u>
Fire	7,134	General	26,338
Woodland Park	6,933		
Water	9,388		
Ambulance	2,100		
Non-major governmental	783		
Subtotal	<u>26,338</u>	Subtotal	<u>26,338</u>
Non-major governmental	15,000	Marina	15,000
Totals	<u>\$49,329</u>	Totals	<u>\$49,329</u>

NOTE D – INTERFUND TRANSFERS IN AND TRANSFERS OUT:

The Interfund transfers for the year are as follows:

Fund	Transfer In	Fund	Transfer Out
Non-major governmental funds	<u>\$549</u>	General Fund	<u>\$549</u>

NOTE E – CAPITAL ASSETS:

A summary of the capital assets of the Governmental Activities is as follows:

	Balance at July 1, 2004	Additions	Disposals	Balance at March 31, 2005
GOVERNMENTAL ACTIVITIES:				
Land	\$ 54,200	\$ -	\$ -	\$ 54,200
Total Capital Assets, not being depreciated	<u>\$ 54,200</u>	<u>-</u>	<u>-</u>	<u>\$ 54,200</u>
Buildings and improvements	1,066,500	-	-	1,066,500
Furniture and equipment	238,199	-	-	238,199
Vehicles	340,862	-	-	340,862
Total Capital Assets, being depreciated	<u>1,645,561</u>	<u>-</u>	<u>-</u>	<u>1,645,561</u>
Less Accumulated Depreciation:				
Building and improvements	(612,850)	(26,662)	-	(639,512)
Furniture and equipment	(177,679)	(39,410)	-	(217,089)
Vehicles	(244,640)	(49,114)	-	(293,754)
Total Accumulated Depreciation	<u>(1,035,169)</u>	<u>(115,186)</u>	<u>-</u>	<u>(1,150,355)</u>
Governmental Activities Capital Assets, Net	<u>\$ 664,592</u>	<u>(\$115,186)</u>	<u>\$ -</u>	<u>\$ 549,406</u>

Depreciation expenses for the governmental activities were charged to the following functions and activities of the primary government:

Unallocated Depreciation	<u>\$115,186</u>
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NOTE E – CAPITAL ASSETS (Continued):

A summary of changes in business-type activities capital assets is as follows:

	Balance at July 1, 2004	Additions	Disposals	Balance at March 31, 2005
BUSINESS-TYPE ACTIVITIES:				
Land	\$ 22,000	\$ -	\$ -	\$ 22,000
Total Capital Assets, not being depreciated	<u>22,000</u>	<u>-</u>	<u>-</u>	<u>22,000</u>
Buildings and improvements	1,373,829	-	-	1,373,829
Equipment	-	-	-	-
Total Capital Assets, being depreciated	<u>1,373,829</u>	<u>-</u>	<u>-</u>	<u>1,373,829</u>
Less Accumulated Depreciation:				
Buildings and improvements	(709,874)	(38,421)	-	(748,295)
Equipment	-	-	-	-
Total Accumulated Depreciation	<u>(709,874)</u>	<u>(38,421)</u>	<u>-</u>	<u>(748,295)</u>
Business-Type Capital Assets, Net	<u>\$ 685,955</u>	<u>\$(38,421)</u>	<u>\$ -</u>	<u>\$ 647,534</u>

Depreciation expense for the business-type activities was charged to the following functions and activities of the primary government:

Business-Type Activities:	
Water Fund	\$21,824
Fuel System Fund	5,000
Woodland Park Fund	9,347
Marina Fund	2,250
Total Depreciation Expense – Business-Type Activities	<u>\$38,421</u>

NOTE F – LONG-TERM DEBT:

Fire Truck Loan					
	September 1		March 1		
	Interest	Principal	Interest	Principal	Total
2005-2006	\$ 932	\$8,356	\$ 725	\$8,564	\$ 18,577
2006-2007	511	8,776	295	8,995	18,577
2007-2008	-	2,827	-	-	2,827
TOTALS	<u>\$1,443</u>	<u>\$19,959</u>	<u>\$1,020</u>	<u>\$17,559</u>	<u>\$39,981</u>

The note was originally issued for \$139,506 on June 22, 2000. Loan payments are due semi-annually, September 1st and March 1st with an interest rate of 6.05%.

Water System Bond				
	September 1		March 1	
	Interest	Interest	Principal	Total
2005-2006	\$ 3,125	\$ 3,125	\$ 9,000	\$ 15,250
2006-2007	2,900	2,900	9,000	14,800
2007-2008	2,675	2,675	9,000	14,350
2008-2009	2,450	2,450	9,000	13,900
2009-2010	2,225	2,225	9,000	13,450
2010-2011	2,000	2,000	10,000	14,000
2011-2012	1,750	1,750	10,000	13,500
2012-2013	1,500	1,500	10,000	13,000
2013-2014	1,250	1,250	10,000	12,500
2014-2015	1,000	1,000	10,000	12,000
2015-2016	750	750	10,000	11,500
2016-2017	500	500	10,000	11,000
2017-2018	250	250	10,000	10,500
TOTALS	<u>\$22,375</u>	<u>\$22,375</u>	<u>\$125,000</u>	<u>\$169,750</u>

NOTE F – LONG-TERM DEBT (Continued):

The Bond was originally issued for \$255,000 on February 1, 1979. Bond Payments are due Semi-annually, March 1 (principal plus interest) and September 1 (interest), with an interest rate of 5%.

Fuel System RLF Loan			
	Interest	Principal	Total
2006	\$1,767	\$ 5,252	\$ 7,019
2007	1,387	5,632	7,019
2008	980	6,039	7,019
2009	(498)	7,517	7,019
TOTALS	<u>\$3,636</u>	<u>\$24,440</u>	<u>\$28,076</u>

In November of 1998 the Fuel System received a \$49,300 RLF Loan to install a new Fuel System at the Marina for the use of the Township and Alger County Road Commission. Payments are due annually on November 7th of each year with an interest rate of 7%.

Backhoe Loan			
	Interest	Principal	Total
2006	<u>\$15</u>	<u>\$2,041</u>	<u>\$2,056</u>

In May of 2000 the Township Improvement Fund purchased a new backhoe for \$53,500 at an interest rate of 5.75% with payments due monthly.

	July 1, 2004	Additions	Subtractions	March 31, 2005
Governmental Activities:				
Backhoe	\$10,990	\$ -	\$ 8,949	\$ 2,041
Fire Truck Loan	53,628	-	16,109	37,519
Total Governmental Activities	<u>64,618</u>	<u>-</u>	<u>25,058</u>	<u>39,560</u>
Business-Type Activities:				
Water Revenue Bond	134,000	-	9,000	125,000
Fuel – RLF Loan	29,338	-	4,898	24,440
Bathhouse	24,250	-	24,250	-
Laundromat line of credit	5,000	-	2,500	2,500
Total Business-Type Activities	<u>192,588</u>	<u>-</u>	<u>40,648</u>	<u>151,940</u>
TOTAL PRIMARY GOVERNMENT LONG-TERM DEBT	<u>\$257,206</u>	<u>\$ -</u>	<u>\$65,706</u>	<u>\$191,500</u>

	Governmental Activities		Business-Type Activities		Totals		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2005-06	\$18,962	\$1,672	\$16,752	\$8,017	\$35,714	\$9,689	\$45,403
2006-07	17,771	806	14,632	7,187	32,403	7,993	40,396
2007-08	2,827	-	15,039	6,330	17,866	6,330	24,196
2008-09	-	-	16,517	4,402	16,517	4,402	20,919
2009-10	-	-	9,000	4,450	9,000	4,450	13,450
2010-11	-	-	10,000	4,000	10,000	4,000	14,000
2011-12	-	-	10,000	3,500	10,000	3,500	13,500
2012-2013	-	-	10,000	3,000	10,000	3,000	13,000
2013-14	-	-	10,000	2,500	10,000	2,500	12,500
2014-15	-	-	10,000	2,000	10,000	2,000	12,000
2015-16	-	-	10,000	1,500	10,000	1,500	11,500
2016-17	-	-	10,000	1,000	10,000	1,000	11,000
2017-18	-	-	10,000	500	10,000	500	10,500
Total	<u>\$39,560</u>	<u>\$2,478</u>	<u>\$151,940</u>	<u>\$48,386</u>	<u>\$191,500</u>	<u>\$50,864</u>	<u>\$242,364</u>

NOTE G – RESERVED AND DESIGNATED NET ASSETS:

The Water Fund has reserved net assets totaling \$29,800 which represents the balance available to pay down debt.

NOTE H – PROPERTY TAXES:

The Local Governmental Unit property tax is levied on each December 1st on the taxable valuation of property (as defined by State statutes) located in the Local Governmental Unit as of the preceding December 31st.

Although the Local Governmental Unit 2004 ad valorem tax is levied and collectible on December 1, 2004, it is the Local Governmental Unit's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60) days.

The 2004 taxable valuation of the Local Governmental Unit totaled \$28,241,918 on which ad valorem taxes levied consisted of .6817 mills for the Local Governmental Unit operation purposes, 3.0000 Township Improvement, 0.2500 Harbor Improvement and 1.3977 Fire Department. These amounts are recognized in the General Fund, Township Improvement Fund, Harbor Fund and Fire Fund financial statements as revenue.

NOTE I – CONTINGENT LIABILITIES:

Risk Management - The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained commercial insurance to handle its risk of loss.

NOTE J – EXCESS OF EXPENDITURES OVER APPROPRIATIONS:

The Township has variances with regards to expenditures over appropriations in their funds as of March 31, 2005.

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund:			
Library	\$2,079	\$2,531	\$452
Community Center	-	11,979	11,979
Fire Fund:			
Fire Department	50,156	61,249	11,093
Township Improvement Fund:			
Cemetery	906	1,542	636
Debt Service	4,112	9,253	5,141
Ambulance Fund:			
Ambulance	38,834	46,556	46,556
Revolving Loans Fund	-	8,246	8,246
Liquor Law Fund	-	1,396	1,396
Harbor Fund	600	10,568	9,968
Beach Access Fund	-	2,729	2,729

REQUIRED SUPPLEMENTAL
FINANCIAL INFORMATION

TOWNSHIP OF BURT, MICHIGAN

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

For the Nine-Months Ended March 31, 2005

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 69,319	\$ 73,293	\$ 78,102	\$ 4,809
Licenses and Permits	-	-	-	-
Federal Sources	-	-	-	-
State Sources	31,400	31,400	25,745	(5,655)
Local Sources	1,700	1,700	-	(1,700)
Charges for Services	141,538	49,745	51,571	1,826
Fines and Forfeits	-	-	-	-
Interest and Rents	1,000	500	431	(69)
Other Revenue	8,595	39,903	54,087	14,184
TOTAL REVENUES	253,552	196,541	209,936	13,395
EXPENDITURES:				
Legislative	4,000	3,520	3,198	322
Judicial	-	-	-	-
Elections	7,000	6,711	4,080	2,631
General Government	233,473	237,953	181,292	56,661
Public Safety	1,400	-	-	-
Public Works	-	-	-	-
Health and Welfare	-	-	-	-
Community and Economic Development	5,600	7,160	6,524	636
Recreation and Culture	2,079	2,079	14,510	(12,431)
Other Functions	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
TOTAL EXPENDITURES	253,552	257,423	209,604	47,819
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(60,882)	332	61,214
OTHER FINANCING SOURCES (USES):				
Transfers in	-	27,500	-	(27,500)
Transfers (out)	-	-	(549)	(549)
TOTAL OTHER FINANCING SOURCES (USES)	-	27,500	(549)	(28,049)
CHANGE IN FUND BALANCE	-	(33,382)	(217)	33,165
Fund balance, beginning of year	31,568	31,568	31,568	-
FUND BALANCE, END OF YEAR	\$ 31,568	\$ (1,814)	\$ 31,351	\$ 33,165

TOWNSHIP OF BURT, MICHIGAN

FIRE FUND

BUDGETARY COMPARISON SCHEDULE

For the Nine-Months Ended March 31, 2005

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 46,000	\$ 46,377	\$ 45,727	\$ (650)
Licenses and Permits	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	-	-	-
Local Sources	-	-	-	-
Charges for Services	1,000	-	-	-
Fines and Forfeits	-	-	-	-
Interest and Rents	150	374	608	234
Other Revenue	100	1,167	1,167	-
TOTAL REVENUES	47,250	47,918	47,502	(416)
EXPENDITURES:				
Legislative	-	-	-	-
Judicial	-	-	-	-
Elections	-	-	-	-
General Government	-	-	-	-
Public Safety	37,115	31,556	42,672	(11,116)
Public Works	-	-	-	-
Health and Welfare	-	-	-	-
Community and Economic Development	-	-	-	-
Recreation and Culture	-	-	-	-
Other Functions	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	18,600	18,577	23
TOTAL EXPENDITURES	37,115	50,156	61,249	(11,093)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,135	(2,238)	(13,747)	(11,509)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
CHANGE IN FUND BALANCE	10,135	(2,238)	(13,747)	(11,509)
Fund balance, beginning of year	60,473	60,473	60,473	-
FUND BALANCE, END OF YEAR	\$ 70,608	\$ 58,235	\$ 46,726	\$ (11,509)

TOWNSHIP OF BURT, MICHIGAN
TOWNSHIP IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Nine-Months Ended March 31, 2005

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 92,140	\$ 98,987	\$ 98,161	\$ (826)
Licenses and permits	-	-	-	-
Federal sources	-	-	-	-
State sources	-	23,251	23,251	-
Local sources	-	-	-	-
Charges for services	2,825	2,317	2,317	-
Fines and forfeits	-	-	-	-
Interest and rents	-	699	844	145
Other revenues	-	687	5,828	5,141
TOTAL REVENUES	94,965	125,941	130,401	4,460
EXPENDITURES:				
Legislative	-	-	-	-
Judicial	-	-	-	-
Elections	-	-	-	-
General services and administration	6,250	906	1,542	(636)
Public safety	-	-	-	-
Public works	65,880	76,133	67,403	8,730
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Recreation and culture	1,000	775	775	-
Other	20,100	29,063	26,804	2,259
Capital outlay	-	-	-	-
Debt service	-	4,112	9,253	(5,141)
TOTAL EXPENDITURES	93,230	110,989	105,777	5,212
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,735	14,952	24,624	9,672
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
CHANGE IN FUND BALANCE	1,735	14,952	24,624	9,672
Fund balance, beginning of year	49,381	49,381	49,381	-
FUND BALANCE, END OF YEAR	\$ 51,116	\$ 64,333	\$ 74,005	\$ 9,672

TOWNSHIP OF BURT, MICHIGAN

AMBULANCE FUND

BUDGETARY COMPARISON SCHEDULE

For the Nine-Months Ended March 31, 2005

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	-	-	-
Local Sources	-	-	-	-
Charges for Services	21,000	23,556	21,256	(2,300)
Fines and Forfeits	15,000	17,200	26,835	9,635
Interest and Rents	-	-	-	-
Other Revenue	100	100	223	123
	935	2,075	4,323	2,248
TOTAL REVENUES	37,035	42,931	52,637	9,706
EXPENDITURES:				
Legislative	-	-	-	-
Judicial	-	-	-	-
Elections	-	-	-	-
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Health and Welfare	-	-	-	-
Community and Economic Development	32,855	38,834	46,556	(7,722)
Recreation and Culture	-	-	-	-
Other Functions	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
TOTAL EXPENDITURES	32,855	38,834	46,556	(7,722)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,180	4,097	6,081	1,984
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
CHANGE IN FUND BALANCE	4,180	4,097	6,081	1,984
Fund balance, beginning of year	23,214	23,214	23,214	-
FUND BALANCE, END OF YEAR	\$ 27,394	\$ 27,311	\$ 29,295	\$ 1,984

TOWNSHIP OF BURT, MICHIGAN

REVOLVING LOAN FUND

BUDGETARY COMPARISON SCHEDULE

For the Nine-Months Ended March 31, 2005

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	-	-	-
Local Sources	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	-	-
Interest and Rents	-	-	-	-
Other Revenue	500	-	8,120	8,120
	<u>28,000</u>	<u>-</u>	<u>14,958</u>	<u>14,958</u>
TOTAL REVENUES	<u>28,500</u>	<u>-</u>	<u>23,078</u>	<u>23,078</u>
EXPENDITURES:				
Legislative	-	-	-	-
Judicial	-	-	-	-
Elections	-	-	-	-
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Health and Welfare	-	-	-	-
Community and Economic Development	7,991	-	8,246	(8,246)
Recreation and Culture	-	-	-	-
Other Functions	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
	<u>7,991</u>	<u>-</u>	<u>8,246</u>	<u>(8,246)</u>
TOTAL EXPENDITURES	<u>7,991</u>	<u>-</u>	<u>8,246</u>	<u>(8,246)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>20,509</u>	<u>-</u>	<u>14,832</u>	<u>14,832</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>20,509</u>	<u>-</u>	<u>14,832</u>	<u>14,832</u>
Fund balance, beginning of year	<u>73,140</u>	<u>73,140</u>	<u>73,140</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 93,649</u>	<u>\$ 73,140</u>	<u>\$ 87,972</u>	<u>\$ 14,832</u>

**Other Supplemental
Information**

TOWNSHIP OF BURT, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Nine-Months Ended March 31, 2005

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES:			
Property Taxes:			
Current levy	\$ 20,474	\$ 19,016	\$ (1,458)
Commercial forest reserve	3,145	3,021	(124)
Swamp tax	29,700	29,695	(5)
Payment in lieu of taxes	2,900	2,879	(21)
Tax collection fees	17,074	23,491	6,417
Total Property Taxes	<u>73,293</u>	<u>78,102</u>	<u>4,809</u>
State Sources:			
State revenue sharing	31,400	25,745	(5,655)
Total State Sources	<u>31,400</u>	<u>25,745</u>	<u>(5,655)</u>
Local Sources:			
Library grants	1,700	-	(1,700)
Total Local Sources	<u>1,700</u>	<u>-</u>	<u>(1,700)</u>
Charges for Services:			
Zoning services	2,520	2,230	(290)
Administrative services	46,550	44,891	(1,659)
Community center	-	3,547	3,547
Miscellaneous services	675	903	228
Total Charges for Services	<u>49,745</u>	<u>51,571</u>	<u>1,826</u>
Interest and Rents			
Interest	250	281	31
Rents	250	150	(100)
Total Interest and Rents	<u>500</u>	<u>431</u>	<u>(69)</u>
Other Revenues:			
Miscellaneous other	39,903	54,087	14,184
Total Other Revenues	<u>39,903</u>	<u>54,087</u>	<u>14,184</u>
TOTAL REVENUES	<u>196,541</u>	<u>209,936</u>	<u>13,395</u>
EXPENDITURES:			
Legislative:			
Township Board:			
Personnel services	3,115	3,113	2
Supplies	-	-	-
Other services and charges	405	85	320
Capital outlay	-	-	-
Total Legislative	<u>3,520</u>	<u>3,198</u>	<u>322</u>
Elections			
Elections:			
Personnel services	1,411	1,411	-
Supplies	2,700	1,729	971
Other services and charges	2,600	940	1,660
Capital outlay	-	-	-
Total Elections	<u>6,711</u>	<u>4,080</u>	<u>2,631</u>

TOWNSHIP OF BURT, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Nine-Months Ended March 31, 2005

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
General Government			
Supervisor:			
Personnel services	\$ 18,082	\$ 18,082	\$ -
Supplies	200	175	25
Other services and charges	950	719	231
Capital outlay	-	-	-
Total Supervisor	<u>19,232</u>	<u>18,976</u>	<u>256</u>
Assessor:			
Personnel services	-	-	-
Supplies	300	30	270
Other services and charges	8,460	7,659	801
Capital outlay	-	-	-
Total Assessor	<u>8,760</u>	<u>7,689</u>	<u>1,071</u>
Clerk:			
Personnel services	20,267	19,267	1,000
Supplies	-	-	-
Other services and charges	1,494	811	683
Capital outlay	-	-	-
Total Clerk	<u>21,761</u>	<u>20,078</u>	<u>1,683</u>
Board of Review:			
Personnel services	1,000	600	400
Supplies	25	25	-
Other services and charges	207	206	1
Capital outlay	-	-	-
Total Board of Review	<u>1,232</u>	<u>831</u>	<u>401</u>
Treasurer:			
Personnel services	18,033	17,632	401
Supplies	700	247	453
Other services and charges	7,316	6,754	562
Capital outlay	-	-	-
Total Treasurer	<u>26,049</u>	<u>24,633</u>	<u>1,416</u>
Township Hall and Grounds:			
Personnel services	60,584	44,558	16,026
Supplies	2,800	2,277	523
Other services and charges	96,135	62,250	33,885
Capital outlay	1,400	-	1,400
Total Township Hall and Grounds	<u>160,919</u>	<u>109,085</u>	<u>51,834</u>
Total General Government	<u>237,953</u>	<u>181,292</u>	<u>56,661</u>

TOWNSHIP OF BURT, MICHIGAN

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the Nine-Months Ended March 31, 2005

	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Community and Economic Development			
Planning Commission			
Personnel services	\$ 500	\$ 390	\$ 110
Supplies	-	-	-
Other services and charges	600	60	540
Capital outlay	-	-	-
Total Planning Commission	<u>1,100</u>	<u>450</u>	<u>650</u>
Zoning			
Personnel services	5,000	5,400	(400)
Supplies	-	314	(314)
Other services and charges	1,060	360	700
Capital outlay	-	-	-
Total Zoning	<u>6,060</u>	<u>6,074</u>	<u>(14)</u>
Total Community and Economic Development	<u>7,160</u>	<u>6,524</u>	<u>636</u>
Recreation and Culture			
Community Center:			
Personnel services	-	-	-
Supplies	-	1,180	(1,180)
Other services and charges	-	10,799	(10,799)
Capital outlay	-	-	-
Total Community Center	<u>-</u>	<u>11,979</u>	<u>(11,979)</u>
Library			
Personnel services	1,404	1,426	(22)
Supplies	-	-	-
Other services and charges	-	1,000	(1,000)
Capital outlay	675	105	570
Total Library	<u>2,079</u>	<u>2,531</u>	<u>(452)</u>
Total Recreation and Culture	<u>2,079</u>	<u>14,510</u>	<u>(12,431)</u>
TOTAL EXPENDITURES	<u>257,423</u>	<u>209,604</u>	<u>47,819</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(60,882)</u>	<u>332</u>	<u>(34,424)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in:	27,500	-	(27,500)
Transfers (out):	-	(549)	549
TOTAL OTHER FINANCING SOURCES (USES)	<u>27,500</u>	<u>(549)</u>	<u>(26,951)</u>
CHANGE IN FUND BALANCE	<u>(33,382)</u>	<u>(217)</u>	<u>(61,375)</u>
Fund balance, beginning of year	<u>31,568</u>	<u>31,568</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ (1,814)</u>	<u>\$ 31,351</u>	<u>\$ (61,375)</u>

TOWNSHIP OF BURT, MICHIGAN

MAJOR GOVERNMENTAL FUNDS
FIRE FUNDSCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Nine-Months Ended March 31, 2005

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES:			
Property Taxes:			
Current levy	\$ 34,854	\$ 34,857	\$ 3
Delinquent taxes	5,180	4,602	(578)
Commercial forest reserve	6,343	6,268	(75)
Total Property Taxes	46,377	45,727	(650)
Local sources:			
Grants	-	-	-
Total Local Sources	-	-	-
Charges for services:			
Fire services	-	-	-
Total Charges for Services	-	-	-
Interest and Rents:			
Interest income - investments	374	608	234
Total Interest and Rents	374	608	234
Other Revenue:			
Other Revenue	1,167	1,167	-
Total Other Revenues	1,167	1,167	-
TOTAL REVENUES	47,918	47,502	(416)
EXPENDITURES:			
Public Safety:			
Fire Department:			
Personnel services	4,725	4,725	-
Supplies	1,242	1,242	-
Other services and charges	20,589	20,589	-
Capital outlay	5,000	16,116	(11,116)
Total Fire Department	31,556	42,672	(11,116)
Total Public Safety	31,556	42,672	(11,116)
Debt Service:			
Principal	18,600	16,109	2,491
Interest	-	2,468	(2,468)
Total Debt Service	18,600	18,577	23
TOTAL EXPENDITURES	50,156	61,249	(11,093)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,238)	(13,747)	(11,509)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
CHANGE IN FUND BALANCE	(2,238)	(13,747)	(11,509)
Fund balance, beginning of year	60,473	60,473	-
FUND BALANCE, END OF YEAR	\$ 58,235	\$ 46,726	\$ (11,509)

TOWNSHIP OF BURT, MICHIGAN

MAJOR GOVERNMENTAL FUNDS TOWNSHIP IMPROVEMENT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Nine-Months Ended March 31, 2005

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES:			
Property Taxes:			
Currently levy	\$ 57,302	\$ 74,826	\$ 17,524
Delinquent taxes	10,552	9,878	(674)
Commercial forest reserve	31,133	13,457	(17,676)
Total Property Taxes	<u>98,987</u>	<u>98,161</u>	<u>(826)</u>
State Sources:			
Grants	23,251	23,251	-
Total State Sources	<u>23,251</u>	<u>23,251</u>	<u>-</u>
Charges for Services:			
Airport services	1,617	1,617	-
Cemetery services	700	700	-
Total Charges for Services	<u>2,317</u>	<u>2,317</u>	<u>-</u>
Interest and Rents:			
Investment income	299	444	145
Airport rent	400	400	-
Total Interest and Rents	<u>699</u>	<u>844</u>	<u>145</u>
Other Revenue:			
Other Revenue	687	5,828	5,141
Total Other Revenues	<u>687</u>	<u>5,828</u>	<u>5,141</u>
TOTAL REVENUES	<u>125,941</u>	<u>130,401</u>	<u>4,460</u>
EXPENDITURES:			
General Government:			
Cemetery:			
Personnel services	532	1,168	(636)
Supplies	-	-	-
Other services and charges	374	374	-
Capital outlay	-	-	-
Total Cemetery	<u>906</u>	<u>1,542</u>	<u>(636)</u>
Total General Government	<u>906</u>	<u>1,542</u>	<u>(636)</u>
Public Works:			
Streets:			
Personnel services	24,001	21,598	2,403
Supplies	1,524	1,524	-
Other services and charges	40,950	34,870	6,080
Capital outlay	6,502	6,502	-
Total Streets	<u>72,977</u>	<u>64,494</u>	<u>8,483</u>

TOWNSHIP OF BURT, MICHIGAN

**MAJOR GOVERNMENTAL FUNDS
TOWNSHIP IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the Nine-Months Ended March 31, 2005

	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Airport:			
Personnel services	\$ 685	\$ 438	\$ 247
Supplies	484	484	-
Other services and charges	1,987	1,987	-
Capital outlay	-	-	-
Total Airport	<u>3,156</u>	<u>2,909</u>	<u>247</u>
Total Public Works	<u>76,133</u>	<u>67,403</u>	<u>8,730</u>
Recreation and Culture:			
Recreation Program:			
Personnel services	-	-	-
Supplies	-	-	-
Other services and charges	775	775	-
Capital outlay	-	-	-
Total Recreation Program	<u>775</u>	<u>775</u>	<u>-</u>
Total Recreation and Culture	<u>775</u>	<u>775</u>	<u>-</u>
Other Functions			
Other Activities:			
Personnel services	-	-	-
Supplies	-	-	-
Other services and charges	25,454	23,195	2,259
Capital outlay	3,609	3,609	-
Total Other Activities	<u>29,063</u>	<u>26,804</u>	<u>2,259</u>
Total Other Functions	<u>29,063</u>	<u>26,804</u>	<u>2,259</u>
Debt Service:			
Backhoe:			
Principal	4,112	8,949	(4,837)
Interest	-	304	(304)
Total Backhoe:	<u>4,112</u>	<u>9,253</u>	<u>(5,141)</u>
Total Debt Service	<u>4,112</u>	<u>9,253</u>	<u>(5,141)</u>
TOTAL EXPENDITURES	<u>110,989</u>	<u>105,777</u>	<u>5,212</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>14,952</u>	<u>24,624</u>	<u>9,672</u>

TOWNSHIP OF BURT, MICHIGAN

**MAJOR GOVERNMENTAL FUNDS
TOWNSHIP IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the Nine-Months Ended March 31, 2005

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Transfers in	\$ -	\$ -	\$ -
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
CHANGE IN FUND BALANCE	14,952	24,624	9,672
Fund balance, beginning of year	49,381	49,381	-
FUND BALANCE, END OF YEAR	<u>\$ 64,333</u>	<u>\$ 74,005</u>	<u>\$ 9,672</u>

TOWNSHIP OF BURT, MICHIGAN

**MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE**

AMBULANCE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the Nine-Months Ended March 31, 2005

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES:			
Local Sources:			
Grants	\$ 2,300	\$ -	\$ (2,300)
County appropriation	21,256	21,256	-
Total Local Sources	<u>23,556</u>	<u>21,256</u>	<u>(2,300)</u>
Charges for Services:			
Ambulance services	17,000	26,375	9,375
Training services	200	460	260
Total Charges for Services	<u>17,200</u>	<u>26,835</u>	<u>9,635</u>
Interest and Rents:			
Investment income	100	223	123
Total Interest and Rents	<u>100</u>	<u>223</u>	<u>123</u>
Other Revenues:			
Donations	990	3,264	2,274
Other revenues	1,085	1,059	(26)
Total Other Revenues	<u>2,075</u>	<u>4,323</u>	<u>2,248</u>
TOTAL REVENUES	<u>42,931</u>	<u>52,637</u>	<u>9,706</u>
EXPENDITURES:			
Health and Welfare:			
Ambulance:			
Personnel services	10,000	10,205	(205)
Supplies	4,900	4,748	152
Other services and charges	23,934	31,603	(7,669)
Capital outlay	-	-	-
Total Ambulance	<u>38,834</u>	<u>46,556</u>	<u>(7,722)</u>
Total Health and Welfare	<u>38,834</u>	<u>46,556</u>	<u>(7,722)</u>
TOTAL EXPENDITURES	<u>38,834</u>	<u>46,556</u>	<u>(7,722)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,097</u>	<u>6,081</u>	<u>1,984</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCE	<u>4,097</u>	<u>6,081</u>	<u>1,984</u>
Fund balance, beginning of year	<u>23,214</u>	<u>23,214</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 27,311</u>	<u>\$ 29,295</u>	<u>\$ 1,984</u>

TOWNSHIP OF BURT, MICHIGAN

MAJOR GOVERNMENTAL FUNDS

REVOLVING LOAN FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the Nine-Months Ended March 31, 2005

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES:			
Interest and Rents:			
Investment income	\$ -	\$ 1,222	\$ 1,222
Mortgage interest	-	6,898	6,898
Total Interest and Rents	-	8,120	8,120
Other Revenue:			
Mortgage principal	-	14,958	14,958
Other revenue	-	-	-
Total Other Revenues	-	14,958	14,958
TOTAL REVENUES	-	23,078	23,078
EXPENDITURES:			
Community and Economic Development:			
Revolving Loan:			
Personnel services	-	-	-
Supplies	-	-	-
Other services and charges	-	3,246	(3,246)
New Loans	-	5,000	(5,000)
Total Revolving Loan	-	8,246	(8,246)
Total Community and Economic Development	-	8,246	(8,246)
TOTAL EXPENDITURES	-	8,246	(8,246)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	14,832	14,832
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
CHANGE IN FUND BALANCE	-	14,832	14,832
Fund balance, beginning of year	73,140	73,140	-
FUND BALANCE, END OF YEAR	\$ 73,140	\$ 87,972	\$ 14,832

TOWNSHIP OF BURT, MICHIGAN

NON-MAJOR
GOVERNMENTAL FUNDS

BALANCE SHEET

March 31, 2005

	Liquor Law Fund	Medical Facility Fund	Harbor Fund	Youth Center Fund	Beach Access Fund	Special Revenue Fund Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ -	\$ 1,499	\$ 60,174	\$ 109	\$ 37,251	\$ 99,033
Accounts receivable - net	-	570	822	-	-	1,392
Due from other funds	-	783	15,000	-	-	15,783
Prepaid expenditure	-	-	-	-	5,000	5,000
TOTAL ASSETS	\$ -	\$ 2,852	\$ 75,996	\$ 109	\$ 42,251	\$ 121,208
LIABILITIES AND FUND BALANCE						
LIABILITIES:						
Accounts payable	\$ -	\$ -	\$ 4,021	\$ -	\$ -	\$ 4,021
Due to other funds	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	4,021	-	-	4,021
FUND BALANCE:						
Unreserved	-	2,852	71,975	109	42,251	117,187
TOTAL FUND BALANCE	-	2,852	71,975	109	42,251	117,187
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ 2,852	\$ 75,996	\$ 109	\$ 42,251	\$ 121,208

TOWNSHIP OF BURT, MICHIGAN

NON-MAJOR
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Nine-Months Ended March 31, 2005

	Liquor Law Fund	Medical Facility Fund	Harbor Fund	Youth Center Fund	Beach Access Fund	Special Revenue Fund Total Governmental Funds
REVENUES:						
Property Taxes	-	\$ -	8,172	\$ -	\$ -	8,172
Licenses and Permits	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-
State Sources	1,396	-	-	-	-	1,396
Local Sources	-	6,011	-	-	-	6,011
Charges for Services	-	20	-	-	-	20
Fines and Forfeits	-	-	-	-	-	-
Interest and Rents	-	14	442	1	-	457
Other Revenue	-	-	4,742	1,015	930	6,687
TOTAL REVENUES	1,396	6,045	13,356	1,016	930	22,743
EXPENDITURES:						
Legislative	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Elections	-	-	-	-	-	-
General Government	-	-	-	-	-	-
Public Safety	1,396	-	-	-	-	1,396
Public Works	-	-	-	-	-	-
Health and Welfare	-	5,075	-	-	-	5,075
Community and Economic Development	-	-	-	-	-	-
Recreation and Culture	-	-	10,568	1,471	2,729	14,768
Other Functions	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES	1,396	5,075	10,568	1,471	2,729	21,239
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	970	2,788	(455)	(1,799)	1,504
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	549	-	549
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	549	-	549
CHANGE IN FUND BALANCE	-	970	2,788	94	(1,799)	2,053
Fund balance, beginning of year	-	1,882	69,187	15	44,050	115,134
FUND BALANCE, END OF YEAR	-	\$ 2,852	\$ 71,975	\$ 109	\$ 42,251	\$ 117,187

TOWNSHIP OF BURT, MICHIGAN

**NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE**

LIQUOR LAW FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the Nine-Months Ended March 31, 2005

	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
State Sources:			
State revenue Sharing	\$ -	\$ 1,396	\$ 1,396
Total State Sources	<u>-</u>	<u>1,396</u>	<u>1,396</u>
Interest and Rents:			
Investment income	<u>-</u>	<u>-</u>	<u>-</u>
Total Interest and Rents	<u>-</u>	<u>-</u>	<u>-</u>
Other Revenues:			
Other revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Revenues	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>-</u>	<u>1,396</u>	<u>1,396</u>
EXPENDITURES:			
Public Safety			
Liquor Law:			
Personnel services	<u>-</u>	<u>-</u>	<u>-</u>
Supplies	<u>-</u>	<u>-</u>	<u>-</u>
Other services and charges	<u>-</u>	<u>1,396</u>	<u>(1,396)</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Liquor Law	<u>-</u>	<u>1,396</u>	<u>(1,396)</u>
Total Public Safety	<u>-</u>	<u>1,396</u>	<u>(1,396)</u>
TOTAL EXPENDITURES	<u>-</u>	<u>1,396</u>	<u>(1,396)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF BURT, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE

MEDICAL FACILITY FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the Nine-Months Ended March 31, 2005

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES:			
Local Sources:			
UPRHS Grant	\$ 9,800	\$ 6,011	\$ (3,789)
Total Local Sources	<u>9,800</u>	<u>6,011</u>	<u>(3,789)</u>
Charges for Services:			
Patients fees	50	20	(30)
Total Charges for Services	<u>50</u>	<u>20</u>	<u>(30)</u>
Interest and Rents:			
Investment income	20	14	(6)
Total Interest and Rents	<u>20</u>	<u>14</u>	<u>(6)</u>
Other Revenue:			
Other revenue	25	-	(25)
Total Other Revenue	<u>25</u>	<u>-</u>	<u>(25)</u>
TOTAL REVENUES	<u>9,895</u>	<u>6,045</u>	<u>(3,850)</u>
EXPENDITURES:			
Health and Welfare:			
Medical Facility:			
Personal services	-	1,800	(1,800)
Supplies	50	42	8
Other services and charges	8,543	3,233	5,310
Capital outlay	-	-	-
Total Medical Facility	<u>8,593</u>	<u>5,075</u>	<u>3,518</u>
Total Health and Welfare	<u>8,593</u>	<u>5,075</u>	<u>3,518</u>
TOTAL EXPENDITURES	<u>8,593</u>	<u>5,075</u>	<u>3,518</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,302</u>	<u>970</u>	<u>(332)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCE	<u>1,302</u>	<u>970</u>	<u>(332)</u>
Fund balance, beginning of year	1,882	1,882	-
FUND BALANCE, END OF YEAR	<u>\$ 3,184</u>	<u>\$ 2,852</u>	<u>\$ (332)</u>

TOWNSHIP OF BURT, MICHIGAN

**NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE**

HARBOR FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the Nine-Months Ended March 31, 2005

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES:			
Property Taxes:			
Currently levy	\$ 6,050	\$ 6,229	\$ 179
Delinquent taxes	600	822	222
Commercial forest reserve	1,000	1,121	121
Total Property Taxes	<u>7,650</u>	<u>8,172</u>	<u>522</u>
Interest and Rents:			
Investment income	200	442	242
Total Interest and Rents	<u>200</u>	<u>442</u>	<u>242</u>
Other Revenue:			
Other Revenue	8,000	4,742	(3,258)
Total Other Revenues	<u>8,000</u>	<u>4,742</u>	<u>(3,258)</u>
TOTAL REVENUES	<u>15,850</u>	<u>13,356</u>	<u>(2,494)</u>
EXPENDITURES:			
Recreation and Culture:			
Harbor:			
Personnel services	-	-	-
Supplies	-	9,968	(9,968)
Other services and charges	600	600	-
Capital outlay	-	-	-
Total Harbor	<u>600</u>	<u>10,568</u>	<u>(9,968)</u>
Total Recreation and Culture	<u>600</u>	<u>10,568</u>	<u>(9,968)</u>
TOTAL EXPENDITURES	<u>600</u>	<u>10,568</u>	<u>(9,968)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>15,250</u>	<u>2,788</u>	<u>(12,462)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers (out)	(5,315)	-	(5,315)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,315)</u>	<u>-</u>	<u>(5,315)</u>
CHANGE IN FUND BALANCE	<u>9,935</u>	<u>2,788</u>	<u>(17,777)</u>
Fund balance, beginning of year	<u>69,187</u>	<u>69,187</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 79,122</u>	<u>\$ 71,975</u>	<u>\$ (17,777)</u>

TOWNSHIP OF BURT, MICHIGAN

**NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE**

YOUTH CENTER

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the Nine-Months Ended March 31, 2005

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES:			
Interest and Rents:			
Investment income	\$ -	\$ 1	\$ 1
Total Interest and Rents	<u>-</u>	<u>1</u>	<u>1</u>
Other Revenue:			
Donations	2,000	940	(1,060)
Other revenue	3,905	75	(3,830)
Total Other Revenue	<u>5,905</u>	<u>1,015</u>	<u>(4,890)</u>
TOTAL REVENUES	<u>5,905</u>	<u>1,016</u>	<u>(4,889)</u>
EXPENDITURES:			
Recreation and Culture:			
Youth Center:			
Personnel services	2,500	462	2,038
Supplies	1,800	927	873
Other services and charges	1,350	82	1,268
Capital outlay	-	-	-
Total Youth Center	<u>5,650</u>	<u>1,471</u>	<u>4,179</u>
Total Recreation and Culture	<u>5,650</u>	<u>1,471</u>	<u>4,179</u>
TOTAL EXPENDITURES	<u>5,650</u>	<u>1,471</u>	<u>4,179</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>255</u>	<u>(455)</u>	<u>(710)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	549	549
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>549</u>	<u>549</u>
CHANGES IN FUND BALANCE	255	94	(161)
Fund balance, beginning of year	15	15	-
FUND BALANCE, END OF YEAR	<u>\$ 270</u>	<u>\$ 109</u>	<u>\$ (161)</u>

TOWNSHIP OF BURT, MICHIGAN

**NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE**

BEACH ACCESS FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the Nine-Months Ended March 31, 2005

	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
Interest and Rents:			
Investment income	\$ -	\$ -	\$ -
Total Interest and Rents	-	-	-
Other Revenue:			
Donations	-	930	930
Other revenue	-	-	-
Total Other Revenue	-	930	930
TOTAL REVENUES	-	930	930
EXPENDITURES:			
Recreation and Culture:			
Beach Access:			
Personnel services	-	-	-
Supplies	-	184	(184)
Other services and charges	-	2,545	(2,545)
Capital outlay	-	-	-
Total Beach Access	-	2,729	(2,729)
Total Recreation and Culture	-	2,729	(2,729)
TOTAL EXPENDITURES	-	2,729	(2,729)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(1,799)	(1,799)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-
CHANGES IN FUND BALANCE	-	(1,799)	(1,799)
Fund balance, beginning of year	44,050	44,050	-
FUND BALANCE, END OF YEAR	\$ 44,050	\$ 42,251	\$ (1,799)

TOWNSHIP OF BURT, MICHIGAN

FIDUCIARY FUNDS

COMBINING STATEMENT OF NET ASSETS

March 31, 2005

	Tax Collection Fund	Total
ASSETS		
Cash and cash equivalents	\$ 279	\$ 279
Taxes receivable - net	-	-
TOTAL ASSETS	<u>\$ 279</u>	<u>\$ 279</u>
LIABILITIES		
Due to other funds	\$ 279	\$ 279
Due to others	-	-
TOTAL LIABILITIES	<u>\$ 279</u>	<u>\$ 279</u>

Compliance Supplements



ANDERSON, TACKMAN & COMPANY, P.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

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ROBERT J. DOWNS, CPA, CVA

DANIEL E. BIANCHI, CPA

MICHIGAN
ESCANABA
IRON MOUNTAIN
KINROSS
MARQUETTE
WISCONSIN
GREEN BAY
MILWAUKEE

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Supervisor and Township Board of Trustees
Township of Burt, Michigan
P.O. Box 430
Grand Marais, Michigan 49839

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of the Township of Burt, Michigan as of and for the Nine Months Ended March 31, 2005, which collectively comprise the Township of Burt, Michigan's basic financial statements and have issued our report thereon dated June 10, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Township of Burt, Michigan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk of material misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Burt, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. These instances are reported in a separate letter to management dated June 10, 2005.

This report is intended solely for the information and use of the audit committee, management, and Township of Burt, Michigan Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

June 10, 2005



ANDERSON, TACKMAN & COMPANY, P.L.C.

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Township of Burt, Michigan
Report to Management Letter
For the Year Ended March 31, 2005

To the Honorable Supervisor and Members of
The Township Board
Township of Burt, Michigan
Grand Marais, MI 49839

In planning and performing our audit of the financial statements of the Township of Burt, Michigan for the nine-months ended March 31, 2005; we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. However, we noted certain matters involving the internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could affect the Township of Burt, Michigan's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.

Instances of Non-Compliance

Uniform Budgeting and Accounting Act (P.A. 621)

The State of Michigan has enacted Public Act 621, the Uniform Budgeting and Accounting Act, to provide for a system of uniform procedures for the preparation and execution of budgets in local units of government. The purpose of P.A. 621 is to require that all local units of government adopt balanced budgets, to establish responsibilities and define the procedure for the preparation, adoption and maintenance of the budget, and to require certain information for the budget process, including data for capital construction projects. The major provisions of P.A. 621 are as follows:

1. Local Units of government must adopt a budget.
2. The budget, including accrued deficits and available unappropriated surpluses, must be balanced.
3. The budget must be amended when necessary.
4. Debt shall not be entered into unless the debt is permitted by law.
5. Expenditures shall not be incurred in excess of the amount appropriated.

To the Honorable Supervisor and Members of
The Township Board
Township of Burt, Michigan

6. Expenditures shall not be made unless authorized in the budget.
7. Violations of the act, disclosed in an audit of the financial records, in the absence of reasonable procedures, shall be filed with the State Treasurer and reported to the Attorney General.

The Township was found to be in violation of the legal and contractual provisions of the Uniform Budgeting and Accounting Act (Public Act 621) in certain individual funds as enumerated upon in the Footnotes of the financial statements.

* * * * *

This report is intended solely for the information and use of the Township of Burt, Michigan's Board, management, and other legislative or regulatory body and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate and would like to thank the Township of Burt, Michigan's staff for the cooperation and courtesy extended to us during our audit. We would be pleased to discuss any comments or answer any questions regarding our audit with you at your convenience.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

June 10, 2005



ANDERSON, TACKMAN & COMPANY, P.L.C.

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MILWAUKEE

June 10, 2005

To the Honorable Supervisor and Township Board
Burt Township, Michigan
P.O. Box 430
Grand Marais, MI 49839

We have audited the financial statements of the Township of Burt, Michigan for the year ended March 31, 2005, and have issued our report thereon dated June 10, 2005. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of the Township of Burt, Michigan. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management is responsible for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of the accounting policies and their application. The significant accounting policies used by the Township of Burt, Michigan are described in Footnotes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into by the Township of Burt, Michigan during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

To the Honorable Supervisor and Township Board
Burt Township, Michigan

Significant Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgement, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Township of Burt, Michigan's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by the Township of Burt, Michigan, either individually or in the aggregate, indicate matters that could have a significant effect on the Township of Burt, Michigan's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about accounting and auditing matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principal to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Township of Burt, Michigan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in the performance of our audit.

Conclusion

This information is intended solely for the use of the Township of Burt, Michigan Board and management and is not intended to be and should not be used by anyone other than these specified parties.

Anderson, Tackman & Company, PLC
Certified Public Accountants